

# NZ On Air



## Six Monthly Report 31 December 2016

**NZ On Air**  
Irirangi Te Motu





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## 1. SUMMARY

This report tracks progress against our Statement of Performance Expectations. Most areas are on track to meet targets although television hours are unlikely to reach the target due to support of some higher cost projects (that deliver fewer hours) as well as diversion of some funding to Regional Media and Digital. Television continues to provide the largest viewing audiences for funded content but we continue to see changes in audience behaviour and increasing fragmentation.

In December 2016 we published our new funding strategy (including the establishment of the platform-neutral New Zealand Media Fund), which will commence from 1 July 2017. Confirmed after sector consultation, the new strategy addresses the fast-changing media market. Its impact however, will be constrained if our current funding remains static.

We will report on the impact measures set out in the SPE at 12 months as most measures involve annual data.

## 2. SECTOR COLLABORATION

We continue to work collaboratively with agencies when we identify a collective opportunity to contribute to improved outcomes.

Agency	Update
<b>NZ Music Commission / Te Māngai Pāho / Creative NZ</b>	<p><b>The CPMG</b> (Contemporary Popular Music Group). We reported jointly to Ministers in December 2016 with the annual update. The CPMG was formed in late 2012 and we now believe, four years later, that the agencies are sufficiently aligned and that we collaborate effectively with only planned cross-overs. We are proposing that the CPMG be disestablished. We will continue to work together actively at an operating level and will report to you collectively if a pan-industry matter requires your attention.</p> <p><b>Assisted</b> Te Māngai Pāho with assessment of their digital applications.</p> <p>Our new <b>online applications system</b> has been developed from the system developed for, and used by, Te Māngai Pāho. Costs for development of future new features may be shared between Te Māngai Pāho, Te Taura Whiri and NZ On Air, who all use the system.</p>
<b>NZ Music Commission: selected co-ventures</b>	Of the 13 applications to the Music Commission's latest Outward Sound international funding round, 11 (84%) were from NZ On Air-supported artists.
<b>Broadcasting Standards Authority</b>	<b>Shared services</b> arrangement continues to work well.
<b>NZ Film Commission</b>	<b>Co-funded</b> three content projects with NZFC.


### 3. AUDIENCE RESPONSE: Top 10 NZ On Air Funded Television Programmes (1 July – 31 December 2016)

YTD AUDIENCE RESULTS						
Rank	Programme	Genre	Channel	Episodes	Average Rating % *	Average Audience
1	Hyundai Country Calendar	Documentary	TVNZ 1	25	12.4%	533,700
2	Our Big Blue Backyard	Documentary	TVNZ 1	6	11.0%	472,000
3	Mastermind New Zealand	Arts/Culture – Quiz	TVNZ 1	4	10.7%	458,300
4	Gloriavale: A Woman's Place	Documentary	TVNZ 2	1	10.7%	457,300
5	The Hard Stuff With Nigel Latta	Factual	TVNZ 1	8	8.4%	361,500
6	The New Zealand Home	Factual	TVNZ 1	7	8.2%	350,300
7	Hillary	Drama	TVNZ 1	6	7.8%	335,300
8	Nigel Latta Blows Stuff Up (R)	Factual	TVNZ 1	2	7.5%	320,600
9	Karena & Kasey's Kitchen Diplomacy	Factual	TVNZ 1	10	7.4%	319,400
10	Street Hospital	Factual	TVNZ 2	10	7.2%	308,300

\*consolidated rating All People 5+: 1 July 2016 – 31 December 2016

### 4. AUDIENCE RESPONSE: Top 5 Most Played NZ Songs On NZ Radio (for 6 months to 31 December 2016)

Rank	Song	Artist
1	Don't Worry 'Bout It	Kings
2	Mother's Eyes	Six60
3	Oh My My	Nomad
4	Higher	The Naked and Famous
5	Roam	Theia



### 5. AUDIENCE RESPONSE: Digital Media Fund Successes (for 6 months to 31 December 2016)

Project	Description	# Users To Date	View Time Period
Nia's Extra Ordinary Life 2	Engaging webseries for 5-10 year olds. Available on YouTube Kids and Māori Television ondemand.	86,000 video views	12 months
The Outlook for Someday	Sustainability film competition for children and youth. Films online and streaming awards event.	71,500 video views	12 months
Christchurch Dilemmas	Interactive documentary about issues facing Christchurch	80,000 views weekly over 2 month period	2 months
TheCoconet.TV	Hub for Pacific Island content – shared through the website and on YouTube and social media	Avg 200,000 views per month	ongoing



## 6. AUDIENCE RESPONSE: TV reviews

### *Hillary*

Great Southern Television for TVNZ 1  
Jane Bowron – Stuff – 19 August 2016

“...This first episode, freighted with a deeper currency than the familiar face on the back of a bank note, is more than a promising start, the ensuing episodes taking us up to the tragic plane crash in Nepal that took the lives of his wife and young daughter.”



### *Karena and Kasey's Kitchen Diplomacy*

Imagination television for TVNZ 1  
Jane Bowron – Stuff.co.nz – 30 July 2016

“The sister cooking act who cleaned up on MasterChef NZ ... are trotting the globe, meshing their self-taught winning cooking style with the best dishes of other nations...Kimchi and fermented vegetables are on the menu, and while the girls' rendition of Pokarekare Ana may not bring the house down, their unforced, natural effervescence does. This is a clever and charming project with nine more episodes to follow...”



### *The Hard Stuff with Nigel Latta*

Razor films for TVNZ 1  
Jimmy Ryan – Stuff.co.nz – 16 August 2016

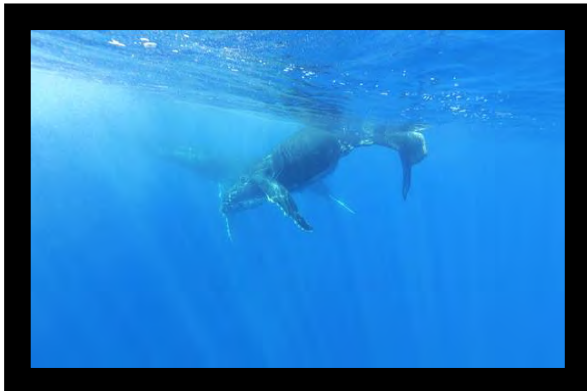
“The Hard Stuff tackles the complex and delicate issue of suicide first up, and it does not disappoint...Genuine and enlightening would be my words of choice in summing up Let's Talk About Suicide – Safely...Latta's patient, compassionate and respectful presenting style is also a standout and adds a lot to the episode”



### *Our Big Blue Backyard 2*

NHNZ for TVNZ 1  
Mike White – North & South – 20 October 2016

“...The series is a “blue chip” nature documentary...This time, film crews visited six more remote destinations, from the Kermadecs 1000km northeast of New Zealand to the subantarctic Auckland Islands...The aerial shots were stunning.. Even for Scollay and his exceptionally experienced dive team, there were innumerable moments that completely amazed and stunned them”



## 7. STATEMENT OF SERVICE PERFORMANCE

This section reports on results against our output targets for the 6 months to 31 December 2016, as set out in the SPE for the year ending 30 June 2017. We will report on the impact measures set out in the SPE at 12 months as most measures involve annual data.

## 8. PERFORMANCE MEASURES

SCREEN CONTENT (national television, regional and digital media)						
National Television and Regional Media	YTD Actual Hours	Full Year Forecast Hours	Prior Year Actual Hours	YTD Actual \$'000	Full Year Forecast \$'000	Prior Year Actual \$'000
<b>GENERAL FUND</b>						
Drama/Comedy	90	95	97	25,284	27,151	26,876
Documentary/Factual	77	72	74.2	8,675	7,470	7,451
Children & Young People	306.1	361.5	370.5	10,927	12,604	14,366
Māori	31.5	26.5	38.8	3,461	3,300	3,775
Arts/Culture/Identity	18.7	28.8	23.6	2,112	1,722	1,832
Minorities	112	109	143.3	6,995	6,923	7,970
Disability (includes Captioning + Audio Description)	16	18	29	4,750	4,759	4,962
Development	-	-	-	175	260	440
<b>Sub-total General Fund</b>	<b>651.3</b>	<b>710.8</b>	<b>776.4</b>	<b>62,379</b>	<b>64,189</b>	<b>67,672</b>
<b>PLATINUM FUND</b>						
Drama	6	8	6	8,143	8,200	8,136
Documentary and Current Affairs	120.5	113	111.5	6,268	5,591	6,112
Special Interest	3	3	3	975	1,320	1,140
<b>Sub-total Platinum Fund</b>	<b>129.5</b>	<b>124</b>	<b>120.5</b>	<b>15,386</b>	<b>15,111</b>	<b>15,388</b>
<b>REGIONAL MEDIA</b>						
Local news and information	290.3*	308.2	465	1,377	1,380	739
<b>Subtotal</b>	<b>1,071.1</b>	<b>1,143</b>	<b>1,361.9</b>	<b>79,142</b>	<b>80,680</b>	<b>83,799</b>
Net effect of write backs and accounting adjustments for timing differences	-	-	-	(283)	-	(1,688)
<b>Total Screen Content</b>	<b>1,071.1</b>	<b>1,143</b>	<b>1,361.9</b>	<b>78,859</b>	<b>80,680</b>	<b>82,111</b>

\*maximum contracted hours – agreements provide some flexibility and the delivered content hours will not be known until the end of the year

## DIGITAL MEDIA

	YTD Actual \$'000	Full Year Forecast \$'000	Prior Year \$'000
Digital-only Media	3,550	3,860	4,082
Net effect of write backs and accounting adjustments for timing differences	(5)	-	(234)
<b>Total Digital Media</b>	<b>3,545</b>	<b>3,860</b>	<b>3,848</b>

## SOUND CONTENT (RADIO AND MUSIC)

### PUBLIC RADIO

	YTD Actual \$'000	Full Year Forecast \$'000	Prior Year \$'000
Radio New Zealand	31,816	31,816	31,816

Quantitative measures will be reported on at year end.

### SPECIAL INTEREST RADIO

Community Radio		YTD Hours	Full Year Forecast Hours	Prior Year Hours	YTD Actual \$'000	Full Year Forecast \$'000	Prior Year \$'000
<b>Access and Special Interest Radio</b>		On track	24,000	24,806			
<b>Pacific radio</b>	Samoa Capital Radio						
	Niu FM and 531pi						
	Total broadcast hours	On track	19,500*	17,400	5,915	6,050	5,898
*Including programming in at least 9 Pacific languages							
Net effect of write backs and accounting adjustments for timing differences		-	-	-	(3)	-	(2)
<b>Sub-total Community Radio</b>		<b>On track</b>	<b>43,500</b>	<b>42,206</b>	<b>5,912</b>	<b>6,050</b>	<b>5,896</b>

## COMMERCIAL AND ALTERNATIVE RADIO

Spoken Content	YTD Hours	Full Year Forecast Hours	Prior Year Hours	YTD Actual \$'000	Full Year Forecast \$'000	Prior Year \$'000
Children and young people	275.8	280	286.5	273	305	275
Spiritual	60	79	54	68	140	75
Ethnic/special interest	-	104	208	-	75	147
Māori issues (English language)	96	96	96	75	75	75
<b>Subtotal</b>	<b>431.8</b>	<b>559</b>	<b>644.5</b>	<b>416</b>	<b>595</b>	<b>572</b>
Net effect of write backs and accounting adjustments for timing differences	-	-	-	(13)	-	(10)
<b>Sub-total Spoken content</b>	<b>431.8</b>	<b>559</b>	<b>644.5</b>	<b>403</b>	<b>595</b>	<b>562</b>
<b>Total Special Interest Radio</b>		<b>44,059</b>	<b>42,850.5</b>	<b>6,315</b>	<b>6,645</b>	<b>6,458</b>

## NZ MUSIC

Music Funding <sup>1</sup>	YTD Actual Qty	Full Year Forecast Qty	Prior Year Qty	YTD Actual \$'000	Full Year Forecast \$'000	Prior Year \$'000
Commercial music funded	79	At least 120	133	1,199	2,000	1,995
Alternative music funded	51	At least 80	95			
Music promotion	61	62	66	1,643	2,000	1,998
<b>Subtotal</b>	<b>191</b>	<b>-</b>	<b>294</b>	<b>2,842</b>	<b>4,000</b>	<b>3,993</b>
Net effect of write-backs and accounting adjustments for timing differences	-	-	-	(7)	-	(214)
<b>Total Music Funding</b>	<b>191</b>	<b>-</b>	<b>294</b>	<b>2,835</b>	<b>4,000</b>	<b>3,779</b>

<sup>1</sup> Music funded is a video or a recorded song plus a video. We do not separately forecast which type of application will be received.



## 9. EFFICIENCY INDICATORS

The table below shows the results against the measures set out in our SPE for the year ending 30 June 2017.

Efficiency Goals	Efficiency Measures	2016-2017 Target	YTD Actual
<b>We make the right decisions using good processes</b>	Investment processes are objective, based on current policy, and include a robust assessment of the application	100%	On track
	No investment decision or process has a significant adverse judicial review or Ombudsman finding	0	0
<b>Our funding management processes serve industry clients efficiently and well</b>	% of complete applications received by deadline determined at the next funding round	100%	On track
	% of funding decisions notified to applicants within 5 working days of decision	100%	On track
	% of funding contracts correctly issued within 15 working days once conditions precedent are met	100%	On track
	% of funding payments correctly made within 10 working days of receiving a valid invoice once contract conditions are met	100%	On track
<b>We minimise overheads to maximise funds</b>	Administration costs are a low % of total revenue	Less than 3%	2.4%

## 10. HEALTH AND CAPABILITY PERFORMANCE MEASURES

The table below details results against the organisation's capability measures and targets set out in the SPE for the year ending 30 June 2017.

Goal	Measure	2016-17 Target	YTD Result
Focus recruitment, training and remuneration policies on attracting and retaining skilled, flexible, efficient and knowledgeable team players	Full time staff turnover is low	Less than 3	On track
	Individual staff training needs assessed annually	100%	On track
	External salary comparisons conducted regularly to ensure staff are paid fairly	Some positions assessed	Not commenced
Ensure staff are committed to the agency and its work	The results of biannual staff engagement surveys will be in the top quartile of the cultural sector	Not measured	Due later in 2017
Ensure our office environment and equipment are safe and well maintained	Reported safety hazards attended to promptly, significant hazards attended to immediately	100%	100%
	Zero tolerance of harassment, bullying and discrimination. Immediate investigation if any instances are reported	0	0
	Each new employee has an ergonomically suitable workspace within one month of beginning work	100%	100%
Incorporate equal employment opportunity principles in staff selection and management, to achieve as diverse a workforce as possible within the limits of our small size	EEO principles included in all relevant documents and practices	100%	100%
	A workforce diversity summary is included in the Annual Report	To achieve	Achieved for 2015/16 Annual Report

## 11. SUMMARY OF FINANCIAL POSITION

(excludes statements of movements in equity and cash flows)

Statement of comprehensive revenue and expense to 31 December 2016 (\$'000)						
		YTD Actual	YTD Budget	Variance	Full Year Budget	
Revenue	Crown Revenue		64,363	64,363	0	128,726
	Other Revenue		1,198	1,115	83	2,230
	<b>Total Revenue</b>		<b>65,561</b>	<b>65,478</b>	<b>83</b>	<b>130,956</b>
Operating Expenditure	Administration services		1,564	2,068	(504)	3,715
Funding Expenditure (net of write-backs of commitments not used)	Screen Content	National Television	78,859	79,280	(421)	80,680
		Regional Media				
		Digital-only Media				
	Sound Content	Public Radio	31,816	31,816	0	31,816
		Special Interest Radio	6,315	6,645	(330)	6,645
		Music and Other Content	2,835	2,011	824	4,000
	Development and Support	Industry Development	190	363	(173)	400
<b>Total Funding Expenditure</b>		<b>123,560</b>	<b>123,275</b>	<b>285</b>	<b>127,401</b>	
<b>Total Expenditure</b>		<b>125,124</b>	<b>125,343</b>	<b>(219)</b>	<b>131,116</b>	
<b>Net (deficit)/surplus to 31 December 2016</b>		<b>(59,563)</b>	<b>(59,865)</b>	<b>302</b>	<b>(160)</b>	

Statement of Financial Position as at 31 December 2016 (\$'000)				
Assets		YTD Actual	Full Year Budget	Variance
Cash and cash equivalents		347	3,000	(2,653)
Investments		30,641	20,000	10,641
Debtors and other receivables	Interest	222	150	2,174
	Other	2,252*	150	
<b>Total Current Assets</b>		<b>33,462</b>	<b>23,300</b>	<b>10,162</b>
Property, plant and equipment and intangible assets		344	350	(6)
<b>Total Non-Current Assets</b>		<b>344</b>	<b>350</b>	<b>(6)</b>
<b>Total Assets</b>		<b>33,806</b>	<b>23,650</b>	<b>10,156</b>
Liabilities				
Trade and other payables		11	300	(289)
Employee entitlements		115	150	(35)
Funding Liabilities		92,087	23,153	68,934
<b>Total Liabilities</b>		<b>92,213</b>	<b>23,603</b>	<b>68,610</b>
<b>Net Assets</b>		<b>(58,407)</b>	<b>47</b>	<b>(58,454)</b>
Equity				
Equity at 31 December 2016		<b>(58,407)</b>	<b>47</b>	<b>(58,454)</b>
<b>Total Equity</b>		<b>(58,407)</b>	<b>47</b>	<b>(58,454)</b>

\* Includes GST refund due of \$2,103,000